State of Connecticut
GENERAL ASSEMBLY

PERMANENT COMMISSION ON
THE STATUS OF WOMEN

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Testimony of
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Before the
Appropriations Committee
Wednesday, February 16, 2005

H.B. 6671, An Act Concerning the State Budget for the Biennium Ending June 30, 2007, and Making Appropriations Therefor

Re: Proposed appropriations for the Department of Social Services

Good afternoon Sen. Harp, Rep. Merrill and members of the Committee. My name is Natasha Pierre and I am the Associate Legislative Analyst of the Permanent Commission on the Status of Women. Thank you for this opportunity to testify regarding proposed appropriations for the Department of Social Services. I am also testifying on behalf of the Connecticut Women's Health Campaign, which we convene and co-chair.

Once again this year, you are considering a budget proposal that attempts to solve a significant portion of our state budget problems by reducing or eliminating basic services to poor families, including health care and food assistance. Once again, you are considering a budget proposal that fails to invest sufficiently in services and programs that are known to prevent future problems and costs, such as childcare assistance for working families. We did a rough calculation of proposed cuts to health care and other programs in the DSS budget and estimate that these proposals would take approximately $26 million directly

out of the pockets of poor families in FY'06, and as much as $60 million in FY'07.[1] This is a conservative calculation that does not include any of the proposed budget reductions that affect hospitals, pharmacists and other institutions that serve poor families. Our state budget deficit is everybody's problem, and should not be solved by taking health care, nutrition and other resources away from welfare recipients, low-income families and immigrants.

We urge this Committee not only to reject the proposed cuts in essential health care and other services to low-income families, but also to restore funding for SAGA and for parents and relative caretakers of HUSKY children up to 185% of poverty. HUSKY A and B provide quality preventive health care for poor and low-income working families that maintains healthy families, children who are more likely to succeed in school and parents who are more likely to succeed at work. In addition, these health care programs save money in the long run because uninsured families get sicker, over-burden our hospitals and shift costs for uncompensated care to the rest of us.

In fact, the Center for Economic Analysis at UCONN estimates that uninsured residents of Connecticut received approximately $377 million in uncompensated care in 2002, and that our state loses between $584 million to $1 billion each year due to the increased mortality and morbidity of people without health insurance.[2] Failing to provide health insurance to low-income families is not only bad for their health, it is bad for our economy.

Although HUSKY A (Medicaid) provides health insurance coverage for children in households up to 185% of poverty, their parents and relative caretakers are not currently covered. Most uninsured adults are in working families (8 in 10).[3] But adults in households with incomes up to 185% of poverty (approximately $29,000 for a family of three) often cannot obtain health insurance because their employer does not offer it, or because they cannot afford to pay the premiums. Among those who are uninsured, nearly 30% have household incomes below $15,000 per year, and a total of 56% have household incomes below $25,000 per year.[4] According to the Connecticut Center for Economic Analysis, the average health insurance premium for a family of four if purchased commercially in Connecticut is $8,788, which would be half the family income for a family living at the federal poverty level.[5] Clearly, this is not a real option for low-income families.

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[1] These numbers reflect proposed reductions or eliminations in Transitional Medical Assistance, cost of living adjustments for welfare recipients, co-pays in the fee for service Medicaid program, state-funded health care and TFA for legal immigrants, increased premiums for HUSKY B, and self-declaration for HUSKY A; *Governor's Budget Summary*, pp. B-105-107.

[2] Stan McMillen, Kathryn Parr, Moh Sharma, *Uninsured: The Costs and Consequences of Living Without Health Insurance in Connecticut*, Connecticut Center for Economic Analysis, University of Connecticut; Universal Health Care Foundation of Connecticut, December, 2004,.

[3] Connecticut Health Policy Project, *op. cit*.

[4] McMillen, *op.cit*., p. 4.

[5] McMillen, *op. cit*., p. 9.

Providing health insurance for the entire family under the same eligibility rules will also increase the number of children who receive health care.[6] The majority of parents and caretaker relatives of children covered under the HUSKY A program are single mothers. Many work part-time in low wage occupations. Restoring coverage to parents and caretaker relatives up to 185% of poverty makes HUSKY A an accessible family insurance program for poor and near poor families. It makes administrative sense and it makes family sense. Healthy children need healthy parents.

We also urge you to reject the proposal to create a premium assistance program for HUSKY A families. Experiences in other states demonstrate that such programs do not work very well: they require a significant administrative structure but do not serve very many people and save little, if any, money. One reason they do not work is that the adults in families with incomes up to 185% of poverty often lose or change jobs frequently or are employed in temporary or part-time jobs where insurance is not offered.

And finally we urge you to provide additional funding for the Care4Kids childcare subsidy program. The promise of welfare reform was that if parents worked they would be assisted with childcare so that the families limited wage resources could be utilized to sustain the family. Over the past two budget cycles, the child care subsidy line item has been eroded – it is currently budgeted at $51 million less than the actual funding in FY 02 and $1 million less than the FY 06 current services.

We urge you to increase the funding by $20 million to $90 million. This funding would be able to provide childcare for 7,500 additional children, and consequently a total of 20,000 children will have childcare in the state.

Thank you for the opportunity to testify on these matters.

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[6] Lisa Dubay and Genevieve Kenney, "Expanding Public Health Insurance for Parents: Effects on Children's Coverage under Medicaid, *Inquiry*, Vol. 38, October 2003, pp. 1283-1302